

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6800

BILL NUMBER: HB 1238

DATE PREPARED: Jan 6, 2002

BILL AMENDED:

SUBJECT: Sale of State Surplus Property to Local Government.

FISCAL ANALYST: John Parkey

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**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill provides that the Department of Administration shall sell surplus state property offered to political subdivisions to the highest responsible governmental bidder. The bill provides that if the Commissioner of the Department determines a market price for the surplus property that is stated in the notice of the sale, the Department shall sell the surplus property to the highest responsible governmental bidder whose bid equals or exceeds the market price determined by the Commissioner.

Effective Date: July 1, 2002.

Explanation of State Expenditures: If this bill expedites the sale of state surplus property to interested political subdivisions, it could cause a slight decrease in the administrative burden of the Department of Administration

Background Information: Useable state surplus property is offered first for use by other state agencies. If the property is not useable by other state agencies, it is then offered for sale to political subdivisions. Interested political subdivisions then may submit sealed bids to the Department for the purchase of the property. If the Department sets a market price for the property and the none of the bidding subdivisions meet that price, bids may either be resubmitted or the property is disposed for sale to private entities.

Explanation of State Revenues:

Explanation of Local Expenditures: Depending on the actions of the IDOA, this bill could help clarify the market price of state surplus property to political subdivisions. If knowing the market price of an item helps subdivisions be more efficient in purchasing state surplus property, it could reduce the time they spend obtaining necessary products.

Explanation of Local Revenues:

State Agencies Affected: Department of Administration.

Local Agencies Affected: Political Subdivisions.

Information Sources: Jay McQueen, Deputy Commissioner, Department of Administration, 232-7636.